Before the FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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In the Matter of:

Amendment of the Commission's

Rules to Establish a Radio

Astronomy Coordination Zone
in Puerto Rico

Description:

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To: The Commission

COMMENTS OF CELPAGE, INC.

Frederick M. Joyce Christine McLaughlin Its Attorneys

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Date: April 1, 1996

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SUMMARY

Celpage strongly opposes the FCC's proposal to designate the entire Commonwealth of Puerto Rico as a "Coordination Zone," requiring applicants for new or modified facilities in nearly all radio services to provide the Arecibo Observatory with their technical proposals, and making applicants responsible for taking "reasonable efforts," including technical modifications to their systems, to accommodate the Observatory.

The FCC has not seriously considered the substantial costs that this proposal will impose upon applicants who seek to use radio frequencies in accordance with their primary allocation. In addition to the costs inherent in negotiating with the Observatory, applicants will be required to incur the engineering, site lease, equipment and other costs attendant to making "reasonable" modifications to their proposals. Applicants will also incur legal expenses, and possibly additional FCC filing fees, in order to file the modifications or amendments which would be required under the proposed rules. Moreover, this process will cost time as well as money, adding to delays in the provision of services to the public.

The NPRM also does not provide applicants with any guidance as to what efforts and modifications the FCC may deem "reasonable." For example, for wide-area mobile service providers in Puerto Rico, any modification that causes coverage gaps in their networks would be "unreasonable." Applicants, the Observatory and the FCC will be forced to expend resources in administrative litigation to determine "reasonableness" in the particular case. This vague and one-sided proposal does not provide applicants with the requisite prior notice of the FCC's requirements for an application grant, and appears to impermissibly delegate the authority to determine the conditions of a grant to the Observatory

Moreover, the proposal will disserve the interests of the more than 3.5 million U.S. citizens living in Puerto Rico. Those citizens will experience delays, if not the complete deprivation, of needed communications services. This result is contrary to the FCC's statutory mandate to ensure that all the people of the United States have access to telecommunications services.

Finally, the Observatory has not shown that the Commission's existing procedures are inadequate to protect it. The Observatory complains that its staff must monitor FCC Public Notices; however, that "burden" of ordinary diligence in monitoring FCC applications is placed upon all users of radio spectrum, and upon "interested" members of the general public.

Neither the FCC nor the Observatory has provided any public interest justification for providing such preferential treatment to the Observatory, at the expense of radio service providers and the members of the public they serve. The proposed rules should not be adopted, and this proceeding should be terminated.

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
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Amendment of the Commission's)	ET Docket No. 96-2
Rules to Establish a Radio)	RM - 8165
Astronomy Coordination Zone)	
in Puerto Rico)	

To: The Commission

COMMENTS OF CELPAGE, INC.

Celpage, Inc., by its attorneys and pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, hereby submits its Comments in response to the <u>Notice of Proposed Rule</u>

<u>Making ("NPRM")</u> in the above-captioned proceeding.¹

I. Statement of Interest

Celpage is the parent company of Pan Am License Holdings, Inc., a licensee of Private Carrier Paging ("PCP") and Radio Common Carrier ("RCC") facilities throughout the Commonwealth of Puerto Rico and the United States Virgin Islands.² Celpage has grown to become the largest paging company in Puerto Rico.

As a provider of one-way signaling services under both Parts 22 and 90 in Puerto Rico, Celpage will be adversely affected if the Commission's proposal requires Celpage to notify the Arecibo Observatory of all new and modification applications in the Commonwealth of Puerto

¹ FCC 96-12 (released February 8, 1996).

² With the implementation of Sections 3(n) and 332 of the Communications Act in the <u>CMRS Second Report and Order</u>, 9 FCC Rcd 1411 (1994), PCP and RCC paging services were reclassified as commercial mobile radio services ("CMRS")

Rico, giving the Observatory the authority to require Celpage to take all steps reasonable to alleviate alleged harmful interference to its radio astronomy operations. Moreover, due to its practical experience in the paging industry, Celpage is well-qualified to comment on the proposals contained in the NPRM. Celpage therefore has standing as a party in interest in this proceeding.

II. Summary of the NPRM.

In November of 1992, Cornell University ("Cornell"), which operates the Arecibo Radio Astronomy Observatory (the "Observatory"), filed with the Commission a Petition for Rule Making (the "Petition") to have Puerto Rico and nearby islands designated as a "quiet zone."

See NPRM at ¶ 2, n. 1. Cornell subsequently amended its request to have Puerto Rico designated as a "Coordination Zone." Id.

In the NPRM, the Commission has proposed to designate Puerto Rico, and surrounding islands,³ as a "Coordination Zone," requiring applicants to submit certain technical information (in most cases, a copy of the technical portion of their FCC applications) to the Observatory, in order to "facilitate coordination and prevention of alleged harmful interference." NPRM at ¶ 21. The proposals would apply to applicants for services under Parts 5, 21, 22, 23, 24, 25, 26, 73, 74, 78, 87, 90, 94, 95 and 97 of the Commission's Rules.⁴ NPRM at ¶ 5.

Applicants would be required to provide this written information to the Observatory on

³ Including Desecheo, Mona, Vieques, and Culebra.

⁴ The notification requirements would not apply to applicants for mobile stations, temporary base or fixed stations, Civil Air Patrol, mobile Earth terminals licensed under Part 25, stations aboard ships or aircrafts, new amateur stations (other than amateur beacon and repeater stations), or for radio facilities that use frequencies above 15 GHz.

or before the date that their applications are filed with the Commission; the Observatory would have 20 days to file any objections based on harmful interference with the Observatory's radio astronomy operations. <u>Id.</u> at ¶ 21. If the Observatory believes that a proposed application would cause harmful interference, it would attempt to negotiate "efficient resolution of problems" with the applicant. <u>Id.</u>

The burden to resolve potential harmful interference would then shift to the applicant:

"The applicant would be required to make reasonable efforts to resolve or mitigate any potential interference." Id. at ¶ 39. Applicants would be solely responsible "to accommodate the interference concerns of the Observatory," including filing amendments or modifications of their applications. Id. at ¶ 21. Cornell has suggested that the affected applicant should take technical steps to protect the Observatory, such as reducing power, using directional antennae, or changing proposed transmitter sites. Id. at ¶ 5.

The Commission claims that it is not proposing a presumption in favor of the Observatory, "nor are we altering our presumption that new radio communications services would best serve the public interest despite resultant increased interference to radio astronomical observations." Id. at ¶ 19 According to the NPRM, once an applicant has made "reasonable efforts" to accommodate the Observatory, its application may be granted even if interference would be caused to the Observatory. Id. at ¶ 20.

III. The Proposed Coordination Zone will Impose Unwarranted Burdens Upon Licensees.

Celpage strongly opposes the FCC's proposal to make the entire Commonwealth of Puerto Rico a "Coordination Zone." The proposal will place unreasonable demands of time, money and resources on applicants for nearly all radio services; and it will delay new services

and modifications to existing services.

A. The Commission has not Realistically Considered the Costs to Applicants Inherent in this Proposal.

The Commission expresses its belief that its proposed "Coordination Zone" procedure will impose few, if any, costs or burdens upon the affected applicant. NPRM at ¶ 19. That is obviously false, if there were no costs attendant to accommodating co-channel users, it is highly unlikely that Cornell would have bothered to file its Petition in the first place. The question before the Commission is whether applicants for radio services, and the consumers who will use the applicants' services, should be required to pay those costs. Celpage submits that the answer is no.

The NPRM would require an applicant, whose proposal fully complies with all applicable technical rules, to bear the additional responsibility of tailoring its proposal to meet the needs of a single spectrum user. Under the Commission's proposal, applicants will be required to spend time and resources negotiating with the Observatory and re-engineering their proposed systems to make "reasonable" technical modifications. See id. at ¶ 21. Applicants will also bear the legal and engineering costs of amending their applications (and in the case of major amendments, the FCC filing fees) to accommodate the Observatory. A "reasonable" modification or amendment may require applicants to purchase different or additional equipment, to negotiate site leases to relocate facilities, to restructure their marketing plans, and incur other costs that would not otherwise be necessary. The NPRM's proposal will cost applicants time as well as money: time in negotiations; time in re-engineering their systems and preparing amendments or modification applications; time in allowing for an additional statutory protest period if a major amendment or modification is required to "accommodate" the

Observatory.

The FCC dismisses these legitimate concerns by stating that, once the applicant makes a reasonable effort to accommodate the Observatory, the FCC would proceed to grant the application "even if the Observatory would suffer additional interference as a result." NPRM at ¶ 20. The Commission completely glosses over the costs that its proposal will inflict upon applicants, by stating that they will not be required to bear costs "which exceed those incurred through reasonable efforts to accommodate the Observatory." Id. at ¶ 19. The proposed rules, however, do not define "reasonable efforts to accommodate" or "reasonable efforts to avoid potential interference problems." applicants are being provided with precious little guidance as to how they are to accomplish these tasks. Without a clear understanding of what the applicant is required to do, there will always be a chance that applications will ultimately be denied. An applicant must know what it must do to get a grant. See, e.g. McElroy Electronics Corp. v. FCC, 990 F.2d 1351, 1358 (D.C. Cir. 1993) ("It is beyond dispute that an applicant should not be placed in a position of going forward with an application without knowledge of requirements established by the Commission, and elementary fairness requires clarity of standards sufficient to apprise an applicant of what is expected.").

The proposed rules also provide no guidance as to what would be considered "harmful interference." Under the proposed rules, the Observatory's determination of what constitutes "harmful interference" to its operations is apparently controlling. Although the Commission "believes that the Observatory will make a good faith effort" in reaching its determinations of potential interference, see NPRM at ¶ 27; the NPRM places no duty upon the Observatory to take "reasonable" measures to avoid interference, or to deal in good faith with the radio

applicants who are investing substantial resources in order to provide valued services to the public. Applicants will have no choice but to incur the expense and time to negotiate, and most likely, file modified proposals, with the attendant engineering, legal and administrative costs. The proposed rules thus permit the Observatory to determine whether an applicant has met the conditions for grant, regardless of that applicant's compliance with the applicable Commission Rules for its radio service. That is an impermissible delegation of administrative power. See, e.g., Achernar Broadcasting Co. v. FCC, F.3d 78 RR 2d 1369 (D.C. Cir. 1995) ("It seems that in the allocation of stations within - or near - the Quiet Zone, the Commission has abdicated in favor of NRAO. This it cannot do.").

The NPRM's vague and one-sided proposal will provide fertile ground for protracted negotiations and administrative litigation as the Observatory, applicants, and the Commission attempt to discern what is "reasonable" in the individual case. Service to the public will be delayed during these proceedings, and the substantial expenditures that the affected applicants have made in preparation for providing service will not be earning any return. The costs of participating in these proceedings, particularly for new market entrants and small businesses, with no income from their proposed radio services, may well be prohibitive.

In short, the costs and burdens that the <u>NPRM</u> would impose on licensees and applicants are daunting, while, on the other hand, the public interest justifications for these proposed rules are nebulous at best. Neither the Commission nor Cornell has provided a coherent explanation as to why a hospital applying for private, in-house paging facilities, or a school district applying for Instructional Television Fixed Service channels, or a small family-owned business operating an AM station, or any other applicant seeking to provide the services for which their requested

frequencies were allocated on a primary basis, should be required to bear these costs on behalf of a major university's NAS-funded operations.⁵

B. The Proposed "Coordination Zone" Requirements are Particularly Unsuitable for Mobile Services.

Celpage respectfully submits that there are many cases in which any changes to an applicant's technical proposal will be inherently "unreasonable." This is particularly true in the case of mobile services.

For example, the Commission has recently acknowledged the growth of the paging industry, particularly in terms of the demand for wide-area paging services. See Notice of Proposed Rule Making in WT Docket No. 96-18 and PP Docket No. 93-253, FCC 96-52 at ¶ 21 (released February 9, 1996) ("Paging Auction Notice") Celpage currently provides island-wide paging coverage on several Part 22 paging frequencies, and the demand for its services continues to grow. It is not practical to provide such wide-area mobile services with low-power transmitters or directionalized antennae. Cf. NPRM at ¶ 5 Celpage's subscribers require that they be able to receive pages throughout Puerto Rico; gaps in coverage are not acceptable. The Commission's proposal would effectively require future wide-area paging services to leave "white area" unserved in Observatory's area, regardless of the amount of the Observatory's actual need for the specific frequency in question.

The Commission has previously recognized that one of the Congressional goals in

⁵ Moreover, applicants for FCC licenses in most radio services are, or soon will be, required to bid for those licenses at auction. It is grossly unfair of this Commission to expect applicants to pay millions of dollars to the U.S. Treasury for the right to provide spectrum-based services in Puerto Rico, while requiring those same applicants to be solely responsible for accommodating a single entity that is permitted to utilize any frequency of its choosing for free.

creating the CMRS classification in the Omnibus Budget Reconciliation Act of 1993 (the "Budget Act") was the "goal of promoting economic forces -- not regulation -- to shape the development of the CMRS market." See Third Report and Order in GN Docket No. 93-252, PR Docket No. 93-144, and PR Docket No. 89-553, FCC 94-212, at ¶ 29 (released September 23, 1994) ("Third CMRS Order"). The Commission has further noted that consumer demand for mobile services is increasing, and that increase is expected to continue. Id.; see also, Notice of Proposed Rule Making in WT Docket No. 96-6, FCC 96-17, (released January 25, 1996) ("Flexible CMRS Notice"). Yet, the Commission here proposes to increase the regulatory burdens on CMRS licensees in Puerto Rico, all for the inchoate interests of one spectrum user That approach is contrary to the FCC's stated pro-competitive goals.

That approach is also contrary to the Commission's recent and ongoing efforts to streamline mobile services application requirements. Under Part 22 of the Commission's Rules, paging licensees may construct fill-in facilities without filing applications with the FCC. See, 47 C.F.R. § 22.165(d). Further, pursuant to the interim procedures imposed by the current freeze on paging applications, all paging licensees may add or modify facilities that would not increase the interference contours of a licensee's system, without filing applications. See, Paging Auction

Notice at ¶ 41. That same proceeding proposes to award paging licenses on a wide-area basis, through auctions, and permit licensees to add or modify facilities within their geographic areas without obtaining site-by-site licenses. Id. at ¶ 21. It is entirely unreasonable to require licensees to "file" applications with the Observatory, when they are not required to do so with the Commission. The proposed "Coordination Zone" will deprive paging operators in Puerto Rico of the benefits of the streamlined procedures that will be enjoyed by paging operators

elsewhere.

The proposed "Coordination Zone" will decrease the value of spectrum, and increase the costs of initiating and improving spectrum-based services in Puerto Rico. Those factors will discourage incumbent licensees and new market entrants from seeking to provide or expand services in a geographic area that, until now, has developed as a highly competitive telecommunications market.

IV. The Proposal would Disserve the Public Interest

The Commonwealth of Puerto Rico is home to more than 3.5 million American citizens.

See 1990 Census, Land Area and Population Density at 183. The population of the

Commission's proposed "coordination zone" exceeds that of Los Angeles, CA by more than
36,000 people, and that of Chicago, IL by more than 73,000 people. Id. at 224, 458. Celpage
doubts that the Commission would consider imposing the delays in service that the proposed
"Coordination Zone" will cause upon licensees or the public in those two major radio markets;
the NPRM provides no valid public interest justification for subjecting the people of Puerto Rico to such service delays.

Although Celpage does not mean to disparage the Observatory's mission, Celpage respectfully submits that the Commission's statutory mandate requires it to give precedence to the needs of the 3.5 million citizens in Puerto Rico for the same access to telecommunications services enjoyed by citizens in the Continental United States. Flexible though the "public interest" standard of the Act may be, it is not "a broad license to promote the general public welfare." See, e.g., NAACP v. FPC, 425 U.S. 662, 669 (1976); National Broadcasting Co. v. FCC, 319 U.S. 190, 216 (1943) (the public interest standard does not "confer unlimited power;

the public interest to be served is the interest "of the listening public in 'the larger and more effective use of radio"). Rather, the Commission's authority is grounded in the Congressional mandate "to make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communications service[.]" See 47 U.S.C. § 151. The recent Telecommunications Act of 1996 reaffirmed the Commission's obligation to ensure that all American citizens have access to telecommunications technologies and services. See, e.g., Pub. L. No. 104-104, 110 Stat. 56, § 254(b) (1996). The NPRM's proposal is contrary to these statutory mandates.

For example, creating a "Coordination Zone" will delay paging operators in establishing and improving paging services on the Island, to the detriment of consumers in Puerto Rico. In addition to the businesses and individual consumers who use paging as a reliable, affordable means of communication, many paging subscribers are members of the medical and law enforcement communities. Hospitals, ambulance services, local police departments and the like can ill-afford the "dead spots" in coverage that will surely result if their paging carrier is required to design its system around the Observatory. Those customers - and the members of the public whose health, safety and welfare depend upon them - require rapid, fail-safe communications services, and, they cannot afford administrative delays in the institution of new or improved services.

Yet, administrative delays are inherent in the Commission's proposal to designate Puerto Rico as a "Coordination Zone." That proposal will do little more than ensure that an artificial regulatory restraint delays the licensing of virtually all spectrum-based services in Puerto Rico. thus depriving the Puerto Rican people from fully enjoying the benefits of a competitive and

rapidly-evolving telecommunications market

V. A Coordination Zone is not Necessary to Protect the Observatory.

Section 309 of the Communications Act of 1934, as amended, requires applications to be placed on public notice and establishes a thirty-day period in which "parties in interest" may file petitions to deny. See 47 U.S.C. § 309. The Commission's Rules also provide an opportunity for parties not meeting the statutory requirements to express their concerns in the form of "informal objections." See 47 C.F.R. § 1.41

Cornell complains that the establishment of a "Coordination Zone" is necessary to relieve its staff from the burden of "regularly check[ing] the Commission public notices" to determine whether applications have been filed in Puerto Rico. NPRM at ¶ 8. That "burden" is imposed on *all* parties who may be affected by an FCC application, including small businesses, educational institutions, and individual citizens. The Observatory has the same notice and opportunity to be heard as, and no greater "burden" than, any other spectrum user or private citizen who qualifies as a "party in interest." Like all other parties, the Observatory is entitled to no less, and no more notice

In support of its claim that it should receive more protection, as against all licensed services, than afforded to other parties by the Act and the Commission's Rules, Cornell cites to two instances, both involving broadcast stations, in which interference could have been caused to the Observatory. In one instance, involving a modification to Station WCCT-TV, Cornell admits that it "naively assumed that the Commission would protect the Observatory" without any action on Cornell's part, and only thereafter began "monitoring" applications that might affect its operations. See Petition at Attachment B, page 7. It cannot seriously be argued that the

Commission's processes are insufficient, because they did not protect a party that failed to invoke them.

In the other instance, involving a competing application to Kelly Broadcasting System Corporation's application for renewal of license for Station WNIK-FM at Arecibo, the potentially interfering application was dismissed. Although acknowledging that the outcome of that proceeding was favorable to it, Cornell complains that "the arguments of Arecibo Observatory were not heard during the various proceedings " Id. at Attachment B, page 6. To the extent that Cornell's statement implies that the Commission's processes were inadequate to allow it to participate in that renewal proceeding, that implication is belied by the facts: the Commission's records in that docket indicate that Cornell filed a Petition to Intervene in the hearing on June 19, 1990 and a Motion to Enlarge Issues against the potentially-interfering applicant on June 20, 1990.6 If Cornell's arguments were not considered, it is because they were rendered moot by the dismissal of the potentially-interfering application a mere seven days after the filing of Cornell's Motion to Enlarge. See Kelly Broadcasting System Corporation, Memorandum Opinion and Order, FCC 90M-1820 (released June 27, 1990); aff'd. 5 FCC Rcd. 6563 (Rev.Bd. 1990). Cornell has had, and utilized, the opportunity provided by the Commission's processes to protect its legitimate interests where necessary, its request for favored treatment as against all users of spectrum on the Puerto Rican Islands is unnecessary and unreasonable.

Moreover, the Observatory already receives preferential treatment from the government

⁶ The Hearing Designation Order in that proceeding had been released approximately six months earlier, on January 24, 1990. See Kelly Broadcasting System Corporation, Hearing Designation Order, 5 FCC Rcd. 489 (Aud. Serv. Div. 1990).

of Puerto Rico. As noted in the NPRM, the Commonwealth of Puerto Rico has already created a Protection Zone encompassing a four mile diameter around the Observatory. NPRM at ¶ 7. The Commonwealth is also contemplating an expanded area of protection for the Observatory, to consist of an eight-mile radius. These existing and proposed protection zones around the Observatory should eliminate a considerable amount of harmful interference, and do so at the expense of licensees authorized to operate on the subject radio frequencies on a primary basis. To suggest that those primary users should be subject to further unnecessary administrative burdens and restrictions throughout the entire island of Puerto Rico, and surrounding islands, is unreasonable.

Conclusion

For all the foregoing reasons, Celpage respectfully requests that the Commission not adopt its proposal to create a Coordination Zone on the Islands of Puerto Rico, Desecheo, Mona, Vieques, and Culebra. That proposal would arbitrarily favor a single, passive user of the radio spectrum, at the expense of licensees who are providing valuable services to the public in full compliance with the Act and the Commission's Rules. The citizens of Puerto Rico should not be deprived of new and expanded service offerings, or experience delays in obtaining those service offerings, at this late date in the development of the Puerto Rican telecommunications market.

Respectfully submitted,

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April 1, 1996

CERTIFICATE OF SERVICE

I, Regina Wingfield, a legal secretary in the law firm of Joyce & Jacobs, Attorneys at Law, LLP, do hereby certify that on this 1st day of April, 1996, copies of the foregoing Comments of Celpage, Inc. were mailed, postage prepaid to the following:

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